

May 28, 2014

Working Plan – Auto Initiative Next Steps

Internal – Sensitive and Pre-decisional
Confidential Supervisory Information



Consumer Financial
Protection Bureau

Working Plan Elements

- Supervisory Matters (see attached tracker)
- Enforcement Matters (see attached tracker)
- Supervisory Highlights
- Continued Outreach
- Evaluate Compensation Models
- White Paper on Proxy Method
- Field Hearing (indefinitely postponed)
- LP Rule on Auto

Complete Supervisory Highlights (FL/SUP)

- Commit to publishing stand-alone issue of Supervisory Highlights regarding resolution of supervisory matters
- Next Steps: FL is currently drafting Supervisory Highlights
- **Goal:** Publication by end of July 2014

Continued Outreach (Mkts/EA)

- Continuing outreach function with specific institutions and consumer groups on alternative dealer compensation
- Next Steps:
 - Met with AFSA (1/30)
 - Lunch with NADA (2/21)
 - Met with NIADA (Nat'l Independent Auto Dealers) 2/24
 - Meet with [REDACTED]
 - Meet with [REDACTED]
 - Meet with [REDACTED]
 - Meet with [REDACTED]
- **Goal:** Continue and maintain open dialogue with relevant stakeholders

Evaluate Compensation Models (RMR)

- Continue evaluation of possible alternative dealer compensation models
- Next Steps:
 - Develop response to NADA Proposal
 - Deadline: Complete by late June
 - Evaluate [REDACTED] markdown model
 - Deadline: Complete by late May
 - Develop responses regarding non-discretionary compensation models
 - Deadline: Complete by mid-July
 - Evaluate the impact of adopting a stringent CMS
 - Potential data: Ally, [REDACTED]
 - Deadline: On-going, no deadline
 - Analysis of implemented Pilot programs when data becomes available
- **Goal:** Determine Bureau's public position on various dealer compensation models.

White Paper on Proxy Method (OR)

- Complete white paper on Bureau's proxy methodology
 - Deadline: end of May

- **Goal:** Complete white paper by June 2014

LP Rule on Auto (Regs)

- Proceed with larger participant rule for auto finance market
- Announced in Unified Agenda and elsewhere
- RMR is currently developing a proposed rule
 - Deadline: September

- **Goal:** Publish larger participant rule